

**FILED**

AUG 11 2017

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

In re: : Case No. 12-23412-GLT  
: Chapter 13  
LANCE P. MCCULLOUGH, :  
JANELLE L. MCCULLOUGH :  
: Related to Dkt. Nos. 165, 166, 167, 169, 170,  
: 172, 173-1, 174  
*Debtors.* :

CLERK, U.S. BANKRUPTCY COURT  
WEST DIST. OF PENNSYLVANIA

**ORDER FINDING NAVIENT SOLUTIONS, INC. IN CONTEMPT  
OF COURT AND THIRD ORDER TO SHOW CAUSE**

This matter is before the Court upon the *Withdrawal of Claim* filed by Navient Solutions, Inc. ("Navient") on April 3, 2017 [Dkt. No. 165]. Navient sought to withdraw Claim No. 9, which was originally filed by Sallie Mae Inc. ("Sallie Mae") on behalf of the Department of Education in the amount of \$129,097.97. Because Navient was not the claim holder of record, the Court issued an *Order* on April 17, 2017 [Dkt. No. 166] ("*April 17 Order*") requiring Navient to produce evidence of its ownership by filing a transfer or assignment of Claim No. 9 on or before May 17, 2017. Although the Bankruptcy Noticing Center served Navient with the *April 17 Order* [Dkt. No. 167], Navient failed to file a transfer or assignment of Claim No. 9 or otherwise respond to the *April 17 Order*.

The Court issued an *Order to Show Cause* on June 2, 2017 [Dkt. No. 169] ("*June 2 Order*"), requiring Navient to appear personally through a duly-authorized representative or its legal counsel at a hearing on July 12, 2017 to address its failure to comply with the *April 17 Order*. The Bankruptcy Noticing Center served Navient and employees Jennifer Musial and Sarah Honeycutt with notice of the *June 2 Order* [Dkt. No. 170]. Navient failed to appear at the July 12 hearing or otherwise respond to the *June 2 Order*.

In response to Navient's failure to comply with both the *April 17 Order* and the *June 2 Order*, the Court issued a *Second Order to Show Cause* on July 13, 2017 [Dkt. No. 172] ("*July 13 Order*"). The *July 13 Order* required Navient to appear personally through a duly-authorized

representative or its legal counsel at a hearing on August 9, 2017 to show cause as to why the Court should not hold it in contempt. The Bankruptcy Noticing Center served Navient and employees Jennifer Musial and Sarah Honeycutt and CEO Jack Remondi with the *July 13 Order* [Dkt. No. 173-1; Dkt. No. 174]. Navient failed to attend the August 9 hearing or otherwise respond to the July 13 *Order*. Further, as of the date of this *Order*, Navient has not filed a transfer or assignment of claim.

Navient's continued inaction has wasted the time and resources of the Court, the chapter 13 trustee, and the Debtors and their counsel. The Court has gone to great lengths to compel Navient to resolve what should have been a simple matter to allow this case to proceed. Its efforts have been met with deafening silence.

Based on the foregoing, it is hereby **ORDERED, ADJUDGED, and DECREED** that:

1. As a result of its failure to comply with or otherwise respond to multiple Court Orders (including the *April 2 Order*, *June 2 Order*, and *July 13 Order*) and its failure to attend the July 12 and August 9 hearings, Navient is hereby deemed to be in contempt of this Court.

2. A *Third Order to Show Cause* is hereby issued against Navient, and a hearing is scheduled for **September 6, 2017, at 9:00 a.m.** in Courtroom A, U.S. Bankruptcy Court for the Western District of Pennsylvania, U.S. Steel Tower, 54<sup>th</sup> Fl., 600 Grant St., Pittsburgh, PA 15219, to consider the appropriate sanctions that may be imposed on Navient, including a monetary fine and additional sanctions of \$100 for each day Navient remains in noncompliance with the Court's Orders. The additional sanctions may continue to accrue until Navient purges itself of its contempt.

3. **A corporate officer of Navient with personal knowledge of the facts and circumstances of this case shall personally appear at the hearing on September 6, 2017**, to show cause as to why this Court should not impose a monetary sanctions on Navient for its conduct. The failure of a corporate officer to appear personally at the hearing may result in additional sanctions against Navient and require the Court to identify a specific officer by name to compel his or her attendance.

4. To the extent Navient wishes to file a response for the Court's consideration,  
it shall do so on or before **August 30, 2017**.

Dated: August 10, 2017

  
\_\_\_\_\_  
GREGORY L. TADDONIO  
UNITED STATES BANKRUPTCY JUDGE

Case administrator to mail to:

Lance P. and Janelle L. McCullough  
David Z. Valencik, Esq.  
Navient Solutions, Inc.  
Sallie Mae Inc.  
Ronda J. Winnecour, Esq.  
Office of the U.S. Trustee

Navient Solutions, Inc.  
Attn: Jack Remondi, CEO  
123 Justison St.  
Wilmington, DE 19801

Navient Solutions, Inc.  
Attn: Mark Heleen, Esq., Chief Legal Officer  
123 Justison St.  
Wilmington, DE 19801

Navient Solutions, Inc.  
Attn: Sarah Honeycutt, Litigation Analyst  
11100 USA Pky. (MC E-3149)  
Fishers, IN 46037

Navient Solutions, Inc.  
Attn: Jennifer Musial, Claims Analyst  
220 Lasley Ave.  
Wilkes-Barre, PA 18706

Sallie Mae Inc. on behalf of the Dept. of Education  
Attn: Jennifer Musial, Claims Analyst  
P.O. Box 740351  
Atlanta, GA 30374-0351

Jennifer Musial  
Jennifer.r.musial@salliemae.com

U.S. Attorney's Office  
U.S. Courthouse  
700 Grant St., Ste. 4000  
Pittsburgh, PA 15219

U.S. Attorney's Office  
Attn: Jill Lockikar  
700 Grant St., Ste. 4000  
Pittsburgh, PA 15219

Corporation Service Co.  
251 Little Falls Dr.  
Wilmington, DE 19808

## Imaged Certificate of Notice Page 4 of 4

United States Bankruptcy Court  
Western District of PennsylvaniaIn re:  
Lance P. McCullough  
Janelle L. McCullough  
DebtorsCase No. 12-23412-GLT  
Chapter 13**CERTIFICATE OF NOTICE**

District/off: 0315-2

User: dkam  
Form ID: pdf900Page 1 of 1  
Total Noticed: 11

Date Rcvd: Aug 11, 2017

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Aug 13, 2017.

db/jdb +Lance P. McCullough, Janelle L. McCullough, 401 Wissner Avenue,  
Beaver Falls, PA 15010-2965  
+Corporation Service Co., 251 Little Falls Dr., Wilmington, DE 19808-1674  
cr +Navient Solutions, Inc., 220 Lasley Ave, Wilkes-Barre, PA 18706-1430  
+Navient Solutions, Inc., Attn: Jennifer Musial, Claims Analyst, 220 Lasley Ave.,  
Wilkes-Barre, PA 18706-1430  
+Navient Solutions, Inc., Attn: Mark Heleen, Esq., Chief Legal Officer, 123 Justison St.,  
Wilmington, DE 19801-5360  
+Navient Solutions, Inc., Attn: Sarah Honeycutt,, Litigation Analyst,  
11100 USA Pky. (MC E-3149), Fishers, IN 46037-9203  
+Navient Solutions, Inc., Attn: Jack Remondi, CEO, 123 Justison St.,  
Wilmington, DE 19801-5360  
Sallie Mae Inc. on behalf of the Dept.of Education, Attn: Jennifer Musial, Claims Analyst,  
P.O. Box 740351, Atlanta, GA 30374-0351  
+U.S. Attorney's Office, U.S. Courthouse, 700 Grant St., Ste. 4000,  
Pittsburgh, PA 15219-1956  
+U.S. Attorney's Office, Attn: Jill Lockikar, 700 Grant St., Ste. 4000,  
Pittsburgh, PA 15219-1955

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.  
13777686 E-mail/PDF: pa\_dc\_ed@navient.com Aug 12 2017 01:16:58 Sallie Mae Inc. on behalf of,  
Department of Education, P.O. Box 740351, Atlanta, GA. 30374-0351

TOTAL: 1

\*\*\*\*\* BYPASSED RECIPIENTS \*\*\*\*\*

NONE.

TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.  
USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

**I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.**

**Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.**

Date: Aug 13, 2017

Signature: /s/Joseph Speetjens**CM/ECF NOTICE OF ELECTRONIC FILING**

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on August 11, 2017 at the address(es) listed below:

Andrew F Gornall on behalf of Creditor The Bank of New York Mellon, et al...  
agornall@goldbecklaw.com, bkgroup@goldbecklaw.com; bkgroup@kmlawgroup.com  
Andrew F Gornall on behalf of Creditor BANK OF AMERICA, N.A. agornall@goldbecklaw.com,  
bkgroup@goldbecklaw.com; bkgroup@kmlawgroup.com  
David Z. Valencik on behalf of Joint Debtor Janelle L. McCullough dvalencik@c-vlaw.com,  
cvlaw.ecf.dvalencik@gmail.com; aheath@c-vlaw.com; kmosur@c-vlaw.com; bhassain@c-vlaw.com  
David Z. Valencik on behalf of Debtor Lance P. McCullough dvalencik@c-vlaw.com,  
cvlaw.ecf.dvalencik@gmail.com; aheath@c-vlaw.com; kmosur@c-vlaw.com; bhassain@c-vlaw.com  
Donald R. Calaiaro on behalf of Joint Debtor Janelle L. McCullough dcalaiaro@c-vlaw.com,  
cvlaw.ecf.dcalaiaro@gmail.com; aheath@c-vlaw.com; kmosur@c-vlaw.com; bhassain@c-vlaw.com  
Donald R. Calaiaro on behalf of Debtor Lance P. McCullough dcalaiaro@c-vlaw.com,  
cvlaw.ecf.dcalaiaro@gmail.com; aheath@c-vlaw.com; kmosur@c-vlaw.com; bhassain@c-vlaw.com  
James Warmbrodt on behalf of Creditor The Bank of New York Mellon FKA The Bank of New York  
bkgroup@kmlawgroup.com  
Mark B. Peduto on behalf of Joint Debtor Janelle L. McCullough pandaecfinbox@yahoo.com  
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Office of the United States Trustee ustpreion03.pi.ecf@usdoj.gov  
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ckutch@ecf.courtdrive.com; acarr@bernsteinlaw.com  
Ronda J. Winnecour cmecf@chapter13trusteedpa.com

TOTAL: 12